

January 24, 2002

IMPLEMENTATION OF VISTA NATIONAL EDI BILLING SOFTWARE

1. PURPOSE: This Veterans Health Administration (VHA) directive provides guidance to Department of Veterans Affairs (VA) medical centers and Network offices on the mandatory implementation of the Veterans Health Information Systems and Technology Architecture (Vista) national Electronic Data Interchange (EDI) health care claims software (IB*2*137) and related processes.

2. BACKGROUND: Public Law 99-272, Consolidated Omnibus Budget Reconciliation Act of 1985, enacted April 7, 1986, established VA authority to seek reimbursement from third party health insurance carriers for care provided to non-service-connected veterans. Public Law 101-508, Omnibus Budget Reconciliation Act of 1990, enacted November 5, 1990, established VA authority to seek reimbursement from third party health insurance carriers for care provided to service-connected veterans for their non-service-connected conditions. Public Law 104-191, known as the Kennedy-Kassenbaum Bill, was enacted in 1996. This Public Law, typically referred to as the Health Insurance Portability and Accountability Act (HIPAA), contained a number of health care related provisions, one of which was an “administrative simplification” section requiring, among other things, standardized electronic transactions for health care billing. VA is committed to pursue reimbursement, and standardized third party electronic claims processing is a HIPAA requirement.

3. POLICY: It is VHA policy that all VHA medical centers are mandated to use the National EDI billing software. ***NOTE:** Exemption for using the patch is made for facilities that have a local existing contract with a vendor for EDI connection (electronic claims submission). If a site has an existing local contract for electronic claims submission, that connection may continue to be used until the existing contract expires, at which time the National EDI billing software is mandatory.*

4. ACTION

a. Medical center Directors are responsible for:

(1) Installing EDI patch IB*2*137 within 30 days of the release date.

(2) Ensuring all health plans are turned on within 120 days following release of the patch.

b. Network Directors must ensure the installation within 30 days of the release date and use of software patch IB*2*137 so that EDI billing software is in place to process claims to third party payers for health care provided by VA.

c. Network and medical center directors are to ensure that copies of this directive are distributed to staff involved with billing, revenue, and information resources management responsibilities.

THIS VHA DIRECTIVE EXPIRES JANUARY 31, 2007

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***NOTE:** The EDI patch IB*2*137 will be released with all payers turned off. Payers may be turned on individually or all at once by billing staff at local discretion.*

5. REFERENCE: None.

6. FOLLOW-UP RESPONSIBILITY: The Director, Revenue Office (174) is responsible for the contents of this directive.

7. RESCISSION: This VHA Directive will expire January 31, 2007.

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